

BRECKINRIDGE COUNTY DEVELOPMENT COMPANY
Hardinsburg, Kentucky

Bank Holding Company: FARMERS BANCSHARES, INC.
Hardinsburg, Kentucky

Date of Investment: June 3, 1980

Investments: \$5,000

Description: The Breckinridge County Development Corporation is a nonprofit organization formed to work with state and local government authorities in attracting business and industry to the area. Capital for these efforts is raised by selling shares to local businesses and industry leaders.

The Development Corporation was instrumental in attracting two factories which employ more than 300 people combined. It has also worked in the promotion and development of a new industrial park located west of downtown Hardinsburg.

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OPPORTUNITY LANDS CORPORATION
Arkadelphia, Arkansas

Bank Holding Company: SOUTHERN DEVELOPMENT BANCORPORATION

Granted Permission: March 1988

Capitalization: \$3.6 million

Description: Opportunity Lands Corporation (OLC) is a for-profit community development corporation that renovates and develops low- and moderate-income housing and commercial property serving small businesses in lower-income communities in rural Arkansas. OLC was incorporated in 1987 and initially capitalized with \$500,000. The CDC's activities are part of a comprehensive program of Southern Development Bancorporation and its bank subsidiaries, Elk Horn Bank & Trust in Arkadelphia, Arkansas and First Nation Bank of Phillips County in Helena, Arkansas. One objective of the CDC, along with several other non-bank subsidiaries, is to help stimulate long-term economic development of targeted rural Arkansas regions suffering from low income and high unemployment.

In Pine Bluff, OLC has played a key role in providing affordable rental housing. For example, Park View Apartments, a historic, burned and vacant thirty-two unit building was restored and is now 100 percent leased. OLC also revitalized a city block in Pine Bluff, which contained 20 vacant and sub-standard single family homes and effort that has been an important part of restabilizing the neighborhood.

In Helena, 12 rental units that were sub-standard and vacant have been renovated and leased, and four new homes were built and leased or sold to first-time, low-income home buyers. OLC manages all of these units in their portfolio.

OLC has renovated three Enterprise Centers, which are business incubators that provide small, high-quality office space and shared services to their tenants. Each center has been developed in previously vacant retail space. Located in Arkadelphia, Enterprise Center I and II contain 12 offices each. Enterprise Center III is located in Pine Bluff and has 19 offices.

OLC has actively collaborated with the city of Helena and the Helena Community Renewal Corporation in planning and initiating the

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redevelopment of the blighted sections of downtown with the support of the banking community and the Arkansas Development Finance Authority. OLC has four rental rehabilitation projects totaling 15 units and four newly constructed single-family units in the targeted development area.

OLC is actively involved in the redevelopment of Arkadelphia's tornado-stricken low- and moderate-income neighborhoods. OLC, with loans from Rural Development and Arkansas Development Finance Authority, is currently building Cutler Terrace, a 25 unit multifamily development that is the centerpiece of the rebuilding neighborhood. This site was previously a 24-unit trailer park that was destroyed by the tornado. This project is a first step in rebuilding community.

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ARKANSAS ENTERPRISE GROUP
Arkadelphia, Arkansas

Bank Holding Company: SOUTHERN DEVELOPMENT BANCORPORATION

Granted Permission: March 1988

Capitalization: \$9.4 million in contributions and \$6.9 million in loans

Description: Arkansas Enterprise Group (AEG) is a nonprofit that operates a number of small business assistance programs for rural areas of Arkansas. AEG conducts the bulk of its activities through two programmatic areas, AEG Manufacturing Services (AMS) and the Good Faith Fund (GFF).

AMS provides business loans to small, locally owned businesses located in the 48-county service area of southern and eastern Arkansas, targeting businesses that need capital for growth or expansion, but cannot access traditional financing.

AEG provides technical assistance to borrowers, a key component for a successful business, through a variety of programs including, Alt. Consulting, GFF Fast Trac training, and others.

GFF is a nonprofit business assistance and workforce development organization founded in 1988. The organization is based in Pine Bluff, Arkansas and serves the eastern half of the state. Its programs include business training, the Arkansas Women's Business Development Center, Rapid Assets Individual Development Accounts Program, a public policy program, and two sector work force development initiatives, careers in Health Care and Industry Partners Employment Training Center. GFF builds a long-term relationship with its customers and responds to each customer's need for training, financing, technical assistance and other supportive services.

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MERCANTILE COMMUNITY DEVELOPMENT CORPORATION
St. Louis, Missouri

Bank Holding Company: MERCANTILE BANCSHARES, INC.

Granted Permission: June 1989

Initial Capitalization: \$200,000

Description: Mercantile Community Development Corporation (MCDC) is a for-profit development corporation formed to participate in a variety of housing and community development projects.

Its initial investment was an equity investment in the St. Louis Equity Fund 1988 partnership. Since its inception, MCDC has invested more than \$64 million in projects that qualify for low-income housing tax credits. Project locations are primarily in the bank's service areas, which include Missouri, Illinois, Iowa, Kentucky, Arkansas and Kansas. Investments include direct investments with not-for-profit developers, as well as investments in various housing funds.

In 1998, MCDC formed a new division, the Missouri Tax Credit Clearinghouse, which has been instrumental in assisting community and economic development throughout Missouri, facilitating investments by third parties in state tax credit-assisted projects and programs.

MCDC also participates in Mercantile Bank's Community Partnership Program that originated in 1990 for borrowers participating in a special Fannie Mae program. MCDC provides grants up to \$500 to help cover closing costs for homebuyers who complete homeowner counseling. In 1992, this program added a portfolio mortgage loan to its product line.

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TRI-COUNTY COMMUNITY DEVELOPMENT CORPORATION

Bank Holding Company: FARMERS HOLDING COMPANY
Jacksonville, Illinois
FIRSTBANK OF ILLINOIS COMPANY
Springfield, Illinois

Granted Permission: July 1989

Initial Capitalization: \$100,000 - Farmers Holding Company
\$100,000 - Mercantile Bank of Illinois
(formerly Elliott State Bank)
\$500,000 - all participants

Description: This is a multi-investor, for-profit community development corporation (CDC) which serves Scott, Cass, and Morgan counties in Western Illinois. The CDC promotes economic development in the three-county area by funding projects that will help retain and create new jobs, support the development of new and existing small businesses, and expand the tax base. In addition to providing seed capital loans and gap financing, the CDC also offers equity and subordinated debt financing and technical advisory services to local small businesses. By encouraging public sector participation in economic development projects, the CDC facilitates partnerships between banks and local governments.

Other investors in the CDC are the Farmers State Bank and Trust Company, Mercantile Bank, Chapin State Bank, First State Bank of Beardstown, First National Bank of Beardstown, Bank of Bluffs, Jacksonville Savings Bank Wemple State Bank, First State Bank of Beardstown, Petefish Skiles and Company, National City, Illinois Rural Electric Company, Soyland Power Cooperative, and the Jacksonville Area Chamber of Commerce.

In addition, the Tri-County CDC, the City of Jacksonville, and three local banks have developed a new 65-acre industrial park. Six of the park's 12 lots have been sold, three of which will be occupied by expanding area businesses. Another lot offers a 40,000 square foot building that was developed on speculation by the owners, Tri-County CDC, Jacksonville Area Industrial Corporation, and H&H Construction Company.

Through October 1, 1999, Tri-County CDC has funded over 25 loans totaling more than \$750,500.

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FIRST STATE BANCORP COMMUNITY DEVELOPMENT CORPORATION
Caruthersville, Missouri

Bank Holding Company: FIRST STATE BANCORP, INC.

Granted Permission: August 1993

Initial Capitalization: \$100,000

Description: First State Bancorp CDC is a for-profit development corporation formed to purchase, rehabilitate, and sell affordable owner-occupied housing for low- and moderate-income persons.

Developing small or minority business enterprises is another objective of the CDC. A business enterprise building will be constructed to lease space and office facilities for small and minority businesses. The enterprise building will be designed to provide a secretarial pool and office equipment which would be available to each tenant. This will possibly begin the fourth year of operation.

The third objective of the CDC is to rehabilitate rental housing units for low- and moderate-income families. This will be similar to the owner-occupied housing project, except that the rehabilitated units will be leased rather than sold.

The geographic area to be served generally includes the cities of Caruthersville and Hayti, both located in Pemiscot County. Industrial development activity may be conducted outside the city limits but not outside the county.

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MACOUPIN COUNTY COMMUNITY DEVELOPMENT CORPORATION
Carlinville, Illinois

Bank Holding Company: CARLINVILLE NATIONAL BANK SHARES, INC.

Granted Permission: 1995

Initial Capitalization: \$295,000

Description: Macoupin County CDC is a for-profit CDC that provides small businesses located in Macoupin County, Illinois, access to financial capital that otherwise is unavailable in the private sector and assists in housing development for low- and moderate-income residents in the county. Since the CDC wants to promote community welfare, it will only promote projects that are explicitly designed to create long-term job opportunities for low- and moderate-income residents of Macoupin County.

The main function of the CDC is to provide gap financing in the form of equity participation and subordinated loans to new and existing small businesses located in the region which require capital for equipment purchase and modernization, rehabilitation of plant structures, and cash flow assistance. The CDC provides a vehicle for gap financing when conventional lenders are unwilling to assume the risk, or the targeted small businesses do not meet the job creation criteria for other public loan programs. The borrowers are small businesses as defined by the Small Business Administration.

With regard to small business lending, the CDC does not have a minimum loan amount, and loans utilize flexible repayment schedules that include longer terms and lower interest rates than are generally available in the conventional market.

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LOW-INCOME HOUSING INVESTMENT
Shelbyville High Apartments, Limited Partnership
Huntingsburg, Indiana

Bank Holding Company: CNB BANCSHARES, INC.
Evansville, Indiana

Granted Permission: December 1994

Investment: \$236,415

Description: CNB Bancshares, Inc. is an investor in the Shelbyville High Apartments, Limited Partnership, formed to own and redevelop a low-income housing rental project that qualifies for federal low-income housing tax credits allocated by the Indiana Housing Finance Authority. The facility, previously used as a high school, will be a 49-unit apartment complex. The partnership acquired the land and existing structure and will manage the apartments.

To qualify investors for annual tax credits of \$137,751 for the first ten years, at least 40 percent of the project's units must be occupied by tenants whose incomes are below 60 percent of the median gross income in the relevant area. The partnership will reserve 100 percent of the Shelbyville High Apartment units for families with incomes of less than 60 percent of the median income in Shelbyville, Indiana.

In addition to CNB Bancshares, Inc., other limited partners include Banc One Community Development Corporation, Cleveland, Ohio (a subsidiary of Banc One Corporation) with an investment of \$591,039 and Society Community Development Corporation, Cleveland, Ohio (a subsidiary of Society National Bank) with an investment of \$295,519.

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LOW-INCOME HOUSING INVESTMENTS
Columbus, Indiana

Bank Holding Company: CNB BANCSHARES, INC.
Evansville, Indiana

Investments: \$372,467 committed - The Armory Limited Partnership
\$826,000 committed - Prestwick Columbus II, L.P.

Description: The Armory Limited Partnership project consists of one historic residential building in Columbus, Indiana to be rehabilitated to provide 25 residential living units.

Citizens Bank of Central Indiana committed \$107, 000 in 1996, with cash investments to be made according to cash calls over a ten-year period, totaling over \$372,000.

Prestwick Square II is an Indiana Limited Partnership formed to develop, own, and operate Prestwick Square of Columbus, a sixty-eight unit apartment complex. The apartments are rented to qualifying tenants which allow the project to be eligible for federal low-income tax credits.

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MILLCREEK DEVELOPMENT PROJECT, L.P.
Memphis, Tennessee

Bank Holding Company: UNION PLANTERS CORPORATION
Memphis, Tennessee

Investment Date: September 1994

Investment: \$2,160,000 equity investment

Description: Millcreek Development Project, L.P. was formed in September 1994 to renovate a 448-unit low-income apartment complex. The partnership included Boatmen's Community Development Corporation and Leader Financial Corporation. Through mergers, the partnership now consists of NationsBank Community Development Corporation and Union Planters Corporation.

Low-income housing tax credits were used to finance part of the project. Other investment amounts include: NationsBank CDC with \$2,160,000 in equity investments; Union Planters National Bank with a permanent loan for \$6,067,500; and the City of Memphis with \$3,000,000 in subordinated debt.

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